

HURLEY MARINE FLEET BUBBLE NEAR BURSTING

Shipping Board Head Tries to Sell Vessels, but Price Is Too High.

PUTS ISSUE TO PEOPLE

Problem of How to Use Vast Tonnage Costing Billions. Remains Unsolved.

In its possession of millions of tons of Government built shipping, for whose future no provision has been made, the United States has on its hands a problem which calls for quick solution.

What is to be done with this "gigantic trade fleet" of the Administration? Constructed to meet war needs, a great part of it is worthless for peace requirements. And the rest of it that is fit for overseas service enters the field of international commerce under the gravest economic handicaps. In addition to offsetting the burden of costs of construction and operation far in excess of those of other nations it must provide for a provision on a basis toward which the write off of a billion dollars proposed by Chairman Hurley of the Shipping Board is only a first step.

Less than two years old, the new merchant marine has already reached the parting of the ways. It can go ahead no longer on the old principle of disregard of costs and of the rudiments of economic law. Even Mr. Hurley at last shows signs of perceiving this. He proposes to decide the question of the Government's mercantile shipping, built, building and to be built, through the medium of a symposium of all classes of public opinion.

Funds Are Running Low.

If Mr. Hurley does not hasten with his solution, however, at least one aspect of the problem will solve itself. The golden sands in the hourglass of appropriations provided by a Democratic Congress are running low. The Government at the present curtailed rate of production, they will be exhausted and the rat-a-tat of the river's Hurley invented aplan tapping out new speed records will be heard no longer in the shipyards.

The editor of *Putnam*, a leading British shipping publication, states in a recent issue of that paper that he has discussed the future of the American shipping trade with experts from the United States and that one and all have very little doubt as to what is in store for shipbuilders and shipowners, "particularly if the Shipping Board is allowed to continue its existence much longer."

"Indeed, one of them went so far as to state that the action of the Shipping Board in the past has been to make the demands made by workmen, no matter how recklessly intemperate such demands were, has increased the cost of building steamers in America by no less than \$100 per ton deadweight, and will bring the price of the fabricated boats at the Government yard at Hog Island, when finished, to nearer \$200 per ton deadweight than the \$125 originally estimated."

"As with our own departmentalized industries, so with the American shipyards, extravagance has dominated control, with the result that at the present moment it would be almost out of the question to place an order with American shipbuilders for the construction of a ordinary cargo steamer at less than \$200 per ton, a figure which no American or other owner could well afford to pay, particularly having regard to the fact that the British Government has been offering British standard boats to foreigners at little more than half this figure, and that, with present costs of running, it would not be possible to earn sufficient in the near future to write the boats down to a sum as would enable the purchaser to secure his capital on a resale."

Builder Criticizes Hurley.
Shipping Board methods come in for even sharper criticism at the hands of Christopher Hannevig, a builder and owner of shipping, who writes from England. Mr. Hannevig, asked to comment on Mr. Hurley's statement that the United States sought and intended to secure maritime supremacy, remarked: "It's all hot air. The United States cannot compete against England either in building ships, in managing them or in manning them. It is out of the question."

"But what of the immense shipbuilding programme being carried out on behalf of the Government?" he was asked. This he replied:

"It will prove in time to be a stupendous farce. It has become an orgy of extravagance and misallocation. The cost of the ships being incurred in building tonnage is so high, so wildly beyond the mark that rates of freight can never justify it. When the Shipping Board embarked upon hundreds and hundreds of contracts the price was estimated at about \$125 a ton. The position quickly became exploited by labor, with the result that the original contract prices for labor were abandoned by State officials and the cost per deadweight ton is running from \$250 up to \$400."

"No private ship owners will dream of ever purchasing a ship at such a price. The whole scheme was rash and miscalculated. Moreover, much of the workmanship is so inferior, especially in regard to the wooden ships, that repairs will bring about another ruinous cost. It surprised me to see that the British Ministry of Shipping was willing to pay \$100 in view of what the United States can afford to sell at."

Says State Control Must Stop.

"State control must drop and United States shipbuilders and ship owners must be released to get about the accomplishment of their private enterprises in their own way. When that happens, under the ordinary conditions of commercial competition, we shall be able to commence building up additional shipyards and fleets on a legitimate and enduring basis. But the State ownership idea will first have to be dropped and the abnormal rates of pay in the shipyards will have to be reduced. If those two things are done quickly the sound possibilities will be within the grasp of practical shipbuilders and ship owners."

"Personally, I think England, if she abandons state control, will maintain and sustain her maritime supremacy. I should like to make it clear that private shipbuilding yards in the United States, when not interfered with by officials, have achieved some very remarkable work in the output of new tonnage and at nearly half the cost of tonnage turned out by state established yards."

To go on building ships under pres-

ent conditions will simply be to place on the market an additional volume of tonnage worth perhaps a quarter of the amount it costs to construct. And each new vessel launched will simply be another addition to the long list of maritime liabilities piled up by the Government and one more expense for the taxpayer to meet.

If lack of money cuts off the squandering of further billions by the Administration through stopping the outpouring of tonnage, much will have been gained, but the shipping problem as a whole will still be far from solution. Something must be done with the millions of tons already constructed.

That the Shipping Board has scant hopes of securing the necessary funds to carry on with and realizes that the shipbuilding bubble is on the verge of bursting, is indicated by recent developments. Mr. Hurley has announced the suspension or cancellation of contracts on 550 vessels, aggregating 2,700,000 tons (presumably deadweight). His statement regarding this step has thrown a little additional light on the troubled financial situation of the board.

"We are already presented with heavy claims for damages as a result of the cancellations we have already made," he says. "To make many more would create a perfect orgy of litigation."

And in calling upon Congress for appropriations he adds that the funds requested are not for the purpose of new commitments but to meet obligations already entered into.

On the heels of Mr. Hurley's announcement of reductions in the building programme comes another evidence of eleven hour economy on the part of the Government. Charles Pies, general manager of the Emergency Fleet Corporation, furnishes it. He says:

"The shipyards must run themselves after March 31. The Fleet Corporation is not going to be their guardian angel any longer. There are any increases in wages the shipbuilding companies must pay them. As soon as the Fleet Corporation renders a decision on wages it has to pay for it. The shipbuilding companies have had a helping hand, or rather a helping purse, for eighteen months when the Macy floor expires March 31, they must make their own way."

Few Offers to Buy Ships.

For weeks the Shipping Board has been trying to find a market for some, at least, of the scores of wooden ships it has on its hands. Advertisements were placed in newspapers the country over calling for bids for purchase or time charter of these vessels. Only nine tenders were received, and all were rejected as being too low. For 2,600 ton deadweight vessels the Government is quoted as making a purchase price of \$55,000, about four times pre-war price. For chartering the Government is said to want \$25,000 a month. At that rate six months' hire would about equal the purchase price of the same type and size of vessel before the war. Private shipping interests are not likely to respond to offers of this kind.

The latest report in regard to the wooden craft is that Mr. Hurley is preparing to send some of them abroad, purporting they weather the ocean trip, to sell them to the Scandinavian nations, where there is a demand for this type of tonnage at present.

It is evident that the Shipping Board is trying to get from under, and equally evident that the task is not an easy one. Shortly after the signing of the armistice an official prominently identified with the war work of the Government handed in his resignation, following up the action with the remark:

"Well, boys, the circus is over and the big tent's down. What's the use of sticking around to pick up the peanut shells?"

No such easy way out of the middle of the present situation is possible for

the Administration. Cancellation of contracts and even stoppage of all production would bring no solution of the problem supplied by the tonnage on hand.

There has been no lack of proposals as to the procedure that should be followed to straighten things out. Shipping, finance, industry and commerce, all have remedies to suggest. Some of the principal ones are:

Readjustment of values of Government tonnage by a drastic writing off.

Sale of Government ships at the current prices of similar types or ships of other nations with which competition must be had.

Sale of the ships to the highest bidder.

Sale on installment plan.

Leasing on low terms or on a percentage basis.

Subsidies of various kinds.

Revision of existing navigation laws.

With the exception of the last item, it will be noted every suggestion advanced would necessitate a heavy money expenditure or loss by the Government.

It is inevitable that there should be given to the rights of the taxpayer. And it has not been given at any stage in the Administration's programme of uncured squandering of billions of public money. If not one penny more is spent the total loss will still be a ghastly one.

Word pictures of a great fleet of American merchant vessels "with the starry flag flapping from gaff or truck" have been used by the Shipping Board to arouse patriotic sentiment in support of the continuance of its programme. But what patriotism lies in fostering upon the American people a huge volume of tonnage utterly unprotected from foreign competition and for whose maintenance on that basis further billions are sought?

If the American flag continues to float from a gaff or truck, it will, under the guise of patriotism, be made the emblem of one of the most stupendous failures in commercial history. It has to be said that the Shipping Board has been proposing to fit a mushroom mercantile marine, thrown together with the haste of war and constituted of whatever material was available.

Many Lessons to Be Learned.

This hothouse tonnage is put forward as a serious contender for the maritime mastery of the world. That power may yet be ours, but there are many lessons to be learned on the way. And the first of these is that Government operation never has been and never will be sound economic policy, save where it constitutes a monopoly. Against the nationalization of American shipping would be arrayed the forces of internationalization represented by the merchant marines of all other nations.

Hands off! Let the Government get out of the shipping business, and let it do so without delay. Scrap the worthless tonnage, scrap the worthless plant—scrap them as remorselessly as we have scrapped munitions plants and other industrial machinery of war. Save what can be saved out of the wreck of taxpayers' billions, but stop the source of continued drain upon the public purse.

Let the Government turn its hand to constructive work, by aiding

in the passing of laws that will strike from American shipping the shackles which nullify the efforts of the mercantile marine to hold its own on the seas against other countries. When these steps have been taken a real start will have been made towards the establishment of a real merchant marine. American energy and enterprise can be counted upon for the rest.

RUPPERT TO BEGIN

2.75 P. C. BEER TEST

Continued from First Page.

the next couple of days it is expected that the first clash will occur with Col. Rupert, as he intends to lead the way in manufacturing the 2 1/2 per cent. beer under President Wilson's recent order permitting the making of "near beer." If he is upheld some persons believe it means that such beer could be manufactured even after the Federal prohibition amendment has gone into effect on January 1 of next year.

Element of Restraint.

They are also restrained by the fact that many of them have an insufficient supply of malt on hand to undertake production on a large scale. The Ruppert firm is said to have a large supply of malt on hand, having been replenishing the store during the last three weeks on the chance of a favorable turn in the situation. Some of the more modern firms with adequate storage facilities reported also that they have no need to resume production, as they have sufficient beer on hand to last until July 1.

On the prospect of renewed activities of the brewers the stock of the American Malt Company yesterday advanced one-fourth of a point. Several inquiries were made by brewers as to the possibilities of having orders filled by the company in the near future. The company, it was said, was in a position to deliver 40,000 bushels of malt in a week. These deliveries would be made from the Chicago plant, the plants at Buffalo and Milwaukee being at present idle.

Yesterday the United States Brewers Association, comprising three-fourths of the industry throughout the country, announced that they had sent copies of the Root-Guthrie opinion to its 700 members. The association took no action officially on the opinion, simply leaving the matter of proceeding with the manufacture of beer up to the individual judgment of its members.

As to the latest step in the suit brought by Joseph E. Everard, a minority stockholder, to restrain the James Everard's Breweries from discontinuing their manufacturing activities on May 1 and their sales on July 1, as required by the agricultural bill, William M. K. Olcott, counsel for the defense, notified United States District Attorney Caffey yesterday that his cooperation would be "welcomed." In the letter in which he broached this proposal Mr. Olcott added that since "the question is of such importance as to call for real adversary litigation, perhaps the Federal Government may wish you to work with us in the defense."

"We shall be representing persons."

Mr. Olcott said, "who want the same result for which the complainant asks." The complaint, drawn under the guidance of Messrs. Root and Guthrie, attacked the wartime prohibition legislation as unconstitutional because it was enacted after the signing of the armistice, when there was no emergency involving the national defense and security.

District Attorney Caffey turned the matter over to Earl Barnes, Assistant District Attorney, who said that Mr. Olcott's proposal would be referred to Attorney-General Palmer. Mr. Barnes said that the Government would be without legal right to become associated with the defense, but might intervene as a "friend of the court," a common procedure in litigation involving important Federal legislation.

The distillery interests of the country will hold a meeting in a couple of days to determine their future action.

BREWERIES TO START UP IN CONNECTICUT

Will Make Beer Containing 2 3/4 Alcoholic Content.

NEW HAVEN, Conn., March 18.—The breweries in Connecticut will immediately resume the manufacture of beer containing 2 3/4 per cent. alcohol content, it was announced late today, following a meeting of the Connecticut Brewers Association here. Nathaniel W. Kendall of this city, president of the association, presided at the meeting and fifteen brewing companies were represented.

Resolutions were unanimously adopted declaring that "The Connecticut Brewers Association, in view of the opinion of counsel, recommends to its members that they proceed in accordance with the advice contained in such opinion." It was further resolved that "all members of this association communicate at once with the president of the association in reference to any proceedings or threatened proceedings against any of them that may arise as to the interpretation of the acts of Congress, the President's proclamations or the regulations of the Commissioner of Internal Revenue."

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"Is it nothing to you, all ye that pass? Behold and see if there be any sorrow like unto my sorrow."—Lamentations, 1:12.

THE HORSESHOER OF BASHKALE

THE Union and Progress Committee met nightly in Constantinople to hear and dissect reports of the persecution of the Christians.

Responsible Turkish officials made it a matter of Mohammedan conscience to be at these gatherings.

They frowned when some novel form of punishment failed of its purpose; they applauded when a newcomer presented a livelier sense of duty by offering fresh proof of his ability to prolong life by a series of carefully devised tortures that spilled blood, but did not kill,—not until the connoisseur, all tired out, said to himself,—"I have had enough!"

The Hun was not nearly so generous in his distribution of iron crosses as The Turk in eloquent appreciation of that pious Son of the Prophet who showed especial ability for persecution.

This applause of Turkish Officialdom naturally incited the competitive spirit of all the lower elements striving for recognition.

AMONG those who deserved these claims of infamy was Djevdet Bey, the Vali of Van. We don't recall now the particular work of a Vali. Probably he was a village official, constable, burgomaster or just a plainclothes man with upper-story weaknesses.

Armenia came to know Djevdet as the "Horseshoer of Bashkale." His operations were on a wide area, but he earned especial praise at Bashkale and elsewhere.

The Union and Progress Committee applauded Djevdet's ingenuity and commended his zeal to those who sought the glory that shines in the Prophet's eyes.

He earned the title of "Horseshoer of Bashkale" by nailing shoes to the feet of his Armenian victims. Generally he superintended the job, frequently he did it himself when he thought the Turkish soldier had overlooked one of the artful ways of doing it.

WE will not spare you, reader, any of the details: The victims of this job were made to walk along the roads on the way to the Inside Rim. True, true, death must soon end their misery.

When they could go on not a foot more a well directed thrust of the bayonet or a jab of the butt end of a rifle brought on the eternal sleep.

Need not creed rightly defines your field of service, said former Ambassador Morgenthau in a letter to the American Committee for Relief in the Far East of which he is a member.

How pitiful is this need we ask you to gather, not from the acts of the Horseshoer of Bashkale, but from this pressing message of Dr. Barton:

"Beach and Arroll, who are at Tiflis, sent me this message: 'No bread anywhere. Government has not a pound. 45,000 in Erivan wholly without bread. Orphanages and troops all through Erivan in terrible condition. No dog, cat, horse, camel or any living thing in all Igdir region. Saw refugee women stripping flesh from dead horse with bare hands to-day. Thirty deaths a day report from Ashtarak, twenty-five from Etchmiadzin, Izeir and Sadabak certainly more. Another week will score 10,000 lives lost.' For heaven's sake, hurry!" Signed (Barton).

ONE WAY OF DOING IT NOW

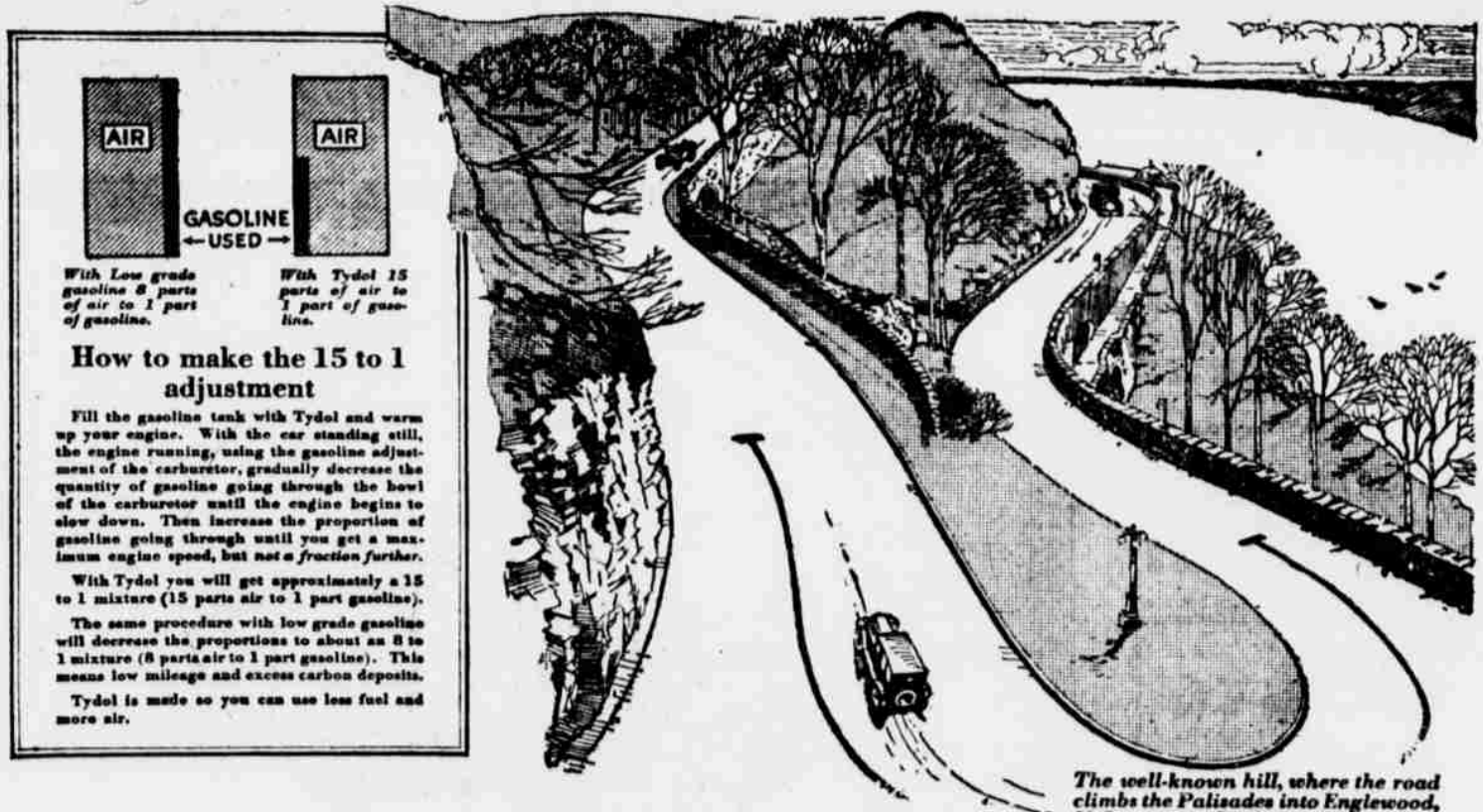
MR. CLEVELAND H. DODGE, Treasurer Armenian and Syrian Relief Committee, No. 1 Madison Avenue, New York City

Dear Mr. Dodge:— I am very glad, indeed, to make this little offering (\$.....) in the name of God and His Charity for the relief of the Armenians, Syrians, Greeks, Jews and Persians. Please send me literature. Yours for

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